Senate Engrossed House Bill

SECRETARY OF STATE

FILED JANICE K. BREWER

State of Arizona House of Representatives Forty-eighth Legislature First Regular Session 2007

CHAPTER 254

HOUSE BILL 2486

AN ACT

AMENDING TITLE 48, CHAPTER 6, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7; RELATING TO ROAD IMPROVEMENT AND MAINTENANCE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Title 48, chapter 6, Arizona Revised Statutes, is amended by adding article 7, to read:

ARTICLE 7. ALTERNATE FORM OF GOVERNMENT FOR ROAD IMPROVEMENT AND MAINTENANCE DISTRICTS

48-1081. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- 1. "CLERK" MEANS THE PERSON APPOINTED BY THE BOARD OF DIRECTORS TO ACT AS THE CLERK FOR THE DISTRICT AND TO PERFORM THE DUTIES OTHERWISE PRESCRIBED FOR A CLERK PURSUANT TO THIS CHAPTER.
- 2. "DISTRICT" OR "ROAD IMPROVEMENT AND MAINTENANCE DISTRICT" MEANS A COUNTY IMPROVEMENT DISTRICT THAT IS FORMED FOR THE PURPOSE OF IMPROVING ONE OR MORE ROADS TO LESS THAN THE COUNTY STANDARD AND PROVIDING FOR ONGOING MAINTENANCE OF THE IMPROVED ROAD OR A DISTRICT THAT IS CONVERTED PURSUANT TO SECTION 48-1088.
- 3. "SUPERINTENDENT" MEANS THE PERSON EMPLOYED BY THE BOARD OF DIRECTORS TO PERFORM THE DUTIES OTHERWISE PRESCRIBED FOR A SUPERINTENDENT PURSUANT TO THIS CHAPTER.

48-1082. Elected board of directors: initial members:

qualifications; terms; filling vacancy; chairperson:
qualifications of electors

- A. AT THE OPTION OF THE BOARD OF SUPERVISORS AFTER PRESENTATION OF A PETITION REQUESTING THE ESTABLISHMENT OF A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT, OR ON THE SUBMISSION OF A SEPARATE PETITION FOLLOWING THE ESTABLISHMENT OF AN IMPROVEMENT DISTRICT AS PRESCRIBED BY SECTION 48-903, AND SUBSEQUENT TO THE APPROVAL OF THE COUNTY BOARD OF SUPERVISORS, THE DISTRICT SHALL BE GOVERNED BY AN ELECTED BOARD OF DIRECTORS. THE ELECTED BOARD SHALL CONSIST OF THE NUMBER OF MEMBERS, BUT AT LEAST THREE, SPECIFIED IN THE PETITION FOR ESTABLISHMENT OF THE DISTRICT. THE FIRST DIRECTORS OF THE BOARD SHALL BE SELECTED BY THE BOARD OF SUPERVISORS AT THE TIME THE DISTRICT IS ESTABLISHED. MEMBERS OF THE BOARD OF DIRECTORS SHALL BE QUALIFIED ELECTORS OF THE DISTRICT.
- B. IMMEDIATELY AFTER THE SELECTION AND QUALIFICATION OF THE FIRST DIRECTORS OF THE BOARD, THE DIRECTORS SHALL MEET AND DIVIDE THEMSELVES BY LOT INTO TWO CLASSES AS NEARLY EQUAL IN NUMBER AS POSSIBLE. DIRECTORS OF THE FIRST CLASS SHALL SERVE FOR A TERM OF FOUR YEARS AND DIRECTORS OF THE SECOND CLASS SHALL SERVE FOR A TERM OF TWO YEARS. EVERY DIRECTOR SHALL CONTINUE TO DISCHARGE THE DUTIES OF OFFICE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES. THEREAFTER, AT EACH REGULAR ELECTION, ONE DIRECTOR FOR EACH EXPIRED TERM SHALL BE ELECTED AND SHALL HOLD OFFICE FOR A TERM OF FOUR YEARS, AND UNTIL A SUCCESSOR IS ELECTED AND QUALIFIES. THE DATES OF ELECTIONS AND OF EXPIRATION OF TERMS SHALL BE SPECIFIED IN THE PETITION FOR ESTABLISHMENT OF THE DISTRICT.

- 1 -

- C. IF A VACANCY ON THE DISTRICT BOARD OCCURS DUE TO DISABILITY OR ANY OTHER CAUSE OTHER THAN RESIGNATION, THE BOARD OF DIRECTORS OF THE DISTRICT SHALL APPOINT A QUALIFIED ELECTOR OF THE DISTRICT TO FILL THE OFFICE FOR THE REMAINING PORTION OF THAT TERM. IF THERE IS A VACANCY ON THE DISTRICT BOARD DUE TO RESIGNATION, THE DISTRICT BOARD SHALL ACCEPT THE RESIGNATION AND APPOINT A QUALIFIED ELECTOR TO FILL THE REMAINING PORTION OF THAT TERM OF OFFICE. IF THE DISTRICT BOARD LACKS A QUORUM FOR ANY REASON FOR MORE THAN THIRTY DAYS, THE COUNTY BOARD OF SUPERVISORS MAY REVOKE THE AUTHORITY OF THE APPOINTED OR ELECTED BOARD OF DIRECTORS PURSUANT TO SECTION 48-1086.
- D. THE BOARD OF DIRECTORS SHALL ANNUALLY ELECT A CHAIRPERSON FROM AMONG ITS MEMBERS.
- E. IF ONLY ONE PERSON FILES OR NO PERSON FILES A NOMINATING PETITION FOR ELECTION TO FILL A POSITION ON THE BOARD OF DIRECTORS OF THE DISTRICT, THE COUNTY BOARD OF SUPERVISORS, BY RESOLUTION, MAY CANCEL THE ELECTION FOR THAT OFFICE AND APPOINT THE PERSON WHO FILED THE NOMINATING PETITION TO FILL THAT POSITION. IF NO PERSON FILES A NOMINATING PETITION FOR AN ELECTION TO FILL A DISTRICT BOARD OFFICE, THE COUNTY BOARD OF SUPERVISORS, BY RESOLUTION, MAY CANCEL THE ELECTION FOR THOSE OFFICES AND THOSE OFFICES ARE DEEMED VACANT AND SHALL BE FILLED AS OTHERWISE PROVIDED BY LAW. A PERSON WHO IS APPOINTED PURSUANT TO THIS SECTION IS FULLY VESTED WITH THE POWERS AND DUTIES OF THE OFFICE AS IF ELECTED TO THAT OFFICE.

48-1083. <u>Compensation: expenses</u>

- A. EACH MEMBER OF A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT BOARD OF DIRECTORS IS ELIGIBLE TO RECEIVE NOT MORE THAN SEVENTY-FIVE DOLLARS FOR EACH MEETING OF THE BOARD ATTENDED AND REIMBURSEMENT FOR NECESSARY TRAVEL EXPENSES FOR ATTENDING NOT MORE THAN FOUR MEETINGS OF THE BOARD DURING A CALENDAR MONTH. COMPENSATION SHALL BE PAID BY THE DISTRICT.
- B. EACH DIRECTOR SHALL RECEIVE REIMBURSEMENT FOR NECESSARY EXPENSES WHILE ENGAGED IN OFFICIAL BUSINESS OF THE DISTRICT AS AUTHORIZED BY THE BOARD.

48-1084. <u>Powers and duties of an elected or appointed board of directors</u>

- A. THE BOARD OF DIRECTORS OF A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT ELECTED OR APPOINTED PURSUANT TO THIS ARTICLE SHALL HAVE ALL THE POWERS AND DUTIES OF THE BOARD OF SUPERVISORS SITTING AS THE BOARD OF DIRECTORS OF A COUNTY IMPROVEMENT DISTRICT FORMED FOR THE PURPOSES PRESCRIBED IN SECTION 48-909, SUBSECTION A, PARAGRAPH 1, 2, 3 OR 4, INCLUDING THE RELATED POWERS AND DUTIES PRESCRIBED IN SECTION 48-909, SUBSECTION B THAT ARE NOT IN CONFLICT WITH THIS ARTICLE.
- B. THE BOARD SHALL APPOINT A CLERK AND EMPLOY A SUPERINTENDENT. THE BOARD SHALL ESTABLISH AND MAKE KNOWN AN OFFICE AND MAILING ADDRESS FOR THE CLERK AND SUPERINTENDENT.
- C. ADDITIONS TO AND ALTERATIONS OF THE DISTRICT SHALL BE MADE IN THE MANNER PROVIDED FOR THE ESTABLISHMENT OF THE DISTRICT, EXCEPT THAT NOTIFICATION SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN

- 2 -

THE DISTRICT, PETITIONS SHALL BE FILED WITH THE DISTRICT BOARD AND ALL ACTIONS RELATED TO A PROPOSED BOUNDARY CHANGE ARE THE RESPONSIBILITY OF THE DISTRICT BOARD.

D. NOTWITHSTANDING SECTION 48-906, SUBSECTION D, ON APPROVAL OF ANY BOUNDARY CHANGE OF THE DISTRICT, THE DISTRICT BOARD MAY ORDER THE SUCCESSFUL PETITIONERS TO PAY ALL OF THE COSTS OF THE BOUNDARY CHANGE.

48-1085. <u>Financial transactions of elected board of directors:</u> review: veto authority

THE BOARD OF SUPERVISORS MAY REVIEW AND COMMENT BUT SHALL NOT HAVE VETO AUTHORITY OVER FINANCIAL TRANSACTIONS OF THE BOARD OF DIRECTORS OF A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT ELECTED PURSUANT TO THIS ARTICLE.

48-1086. Revocation of authority of elected board of directors

THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT IS LOCATED AT ANY TIME MAY REVOKE THE AUTHORITY OF AN ELECTED BOARD OF DIRECTORS IN ORDER TO PROTECT THE RESIDENTS OF THE DISTRICT. ANY DISTRICT IN WHICH THE AUTHORITY OF AN ELECTED BOARD OF DIRECTORS IS REVOKED PURSUANT TO THIS SECTION SHALL BE GOVERNED BY THE BOARD OF SUPERVISORS AS PROVIDED BY SECTION 48-908 AND THE BOARD OF SUPERVISORS SHALL HAVE THE OPTION OF CALLING FOR NEW ELECTIONS FOR THE DISTRICT BOARD OF DIRECTORS.

48-1087. Reimbursement for county services

SERVICES PROVIDED BY A COUNTY TO A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT ARE SUBJECT TO REIMBURSEMENT PURSUANT TO SECTION 11-251.06.

48-1088. Conversion of road improvement and maintenance district; notice; costs

A. A COUNTY IMPROVEMENT DISTRICT FOR WHICH THE ROAD IMPROVEMENTS ARE NOT BUILT TO THE COUNTY STANDARD, WILL NOT BE ACCEPTED IN THE COUNTY ROAD SYSTEM AND REQUIRE ONGOING MAINTENANCE MAY BE CONVERTED TO A DISTRICT UNDER THIS ARTICLE BY EITHER OF THE FOLLOWING METHODS:

- 1. A BOARD OF SUPERVISORS, BY RESOLUTION, MAY ORDER CONVERSION OF A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT AFTER A PUBLIC HEARING CONDUCTED WITH AT LEAST TWENTY DAYS' NOTICE MAILED TO THE OWNERS OF REAL PROPERTY IN THE COUNTY IMPROVEMENT DISTRICT AS SHOWN ON THE MOST RECENT PROPERTY TAX ASSESSMENT ROLL.
- 2. THE OWNERS OF AT LEAST FIFTY PER CENT OF THE PROPERTY THAT IS SUBJECT TO AN ASSESSMENT TO PAY FOR EXISTING IMPROVEMENTS IN A COUNTY IMPROVEMENT DISTRICT MAY PETITION THE BOARD OF SUPERVISORS FOR A FINDING AND AN ORDER THAT THE COUNTY IMPROVEMENT DISTRICT BE CONVERTED INTO A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT, AND AFTER CONSIDERATION OF THE PETITION THE BOARD, BY RESOLUTION, SHALL ORDER THAT CONVERSION.
- B. ON ADOPTION OF AN ORDER FOR CONVERSION AS PROVIDED IN SUBSECTION A OF THIS SECTION, A COUNTY IMPROVEMENT DISTRICT IS CONVERTED TO A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT AND FROM THAT DATE IS SUBJECT TO THIS ARTICLE. PURSUANT TO SECTION 48-1082, THE BOARD OF SUPERVISORS SHALL SPECIFY

- 3 -

THE NUMBER OF MEMBERS TO SERVE ON THE BOARD OF DIRECTORS OF THE DISTRICT AND SHALL APPOINT THE INITIAL MEMBERS.

- C. ALL COSTS, EXPENSES AND ATTORNEY FEES INCURRED BY A COUNTY IMPROVEMENT DISTRICT AND BY ANY PETITIONERS IN SEEKING THE CONVERSION OF A COUNTY IMPROVEMENT DISTRICT ARE A LIABILITY OF THE ROAD IMPROVEMENT AND MAINTENANCE DISTRICT IF CONVERSION IS ORDERED. IF CONVERSION IS NOT ORDERED, ALL COSTS, EXPENSES AND ATTORNEY FEES INCURRED BY A COUNTY IMPROVEMENT DISTRICT AND BY ANY PETITIONERS IN SEEKING THE CONVERSION OF A COUNTY IMPROVEMENT DISTRICT.
- D. ALL ASSETS AND LIABILITIES OF A CONVERTED COUNTY IMPROVEMENT DISTRICT BECOME THE ASSETS AND LIABILITIES OF THE ROAD IMPROVEMENT AND MAINTENANCE DISTRICT. THE ROAD IMPROVEMENT AND MAINTENANCE DISTRICT IS THE SUCCESSOR IN INTEREST OF THE FORMER COUNTY IMPROVEMENT DISTRICT AND SUCCEEDS TO ALL RIGHTS, PRIVILEGES AND POWERS OF THE FORMER COUNTY IMPROVEMENT DISTRICT WITH FULL RIGHTS TO COLLECT ANY DEBT, LIABILITY, OBLIGATION OR ASSESSMENT OWED TO THE FORMER COUNTY IMPROVEMENT DISTRICT AND TO LEVY ASSESSMENTS, ISSUE BONDS AND LEVY AND COLLECT TAXES FOR THE PAYMENT OF THE GENERAL OBLIGATIONS OF THE DISTRICT. A PERSON SHALL NOT BE RELIEVED OF ANY DEBT, LIABILITY, OBLIGATION OR ASSESSMENT TO A COUNTY IMPROVEMENT DISTRICT BY REASON OF ITS CONVERSION PURSUANT TO THIS SECTION.
- E. FOR A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT THAT IS CONVERTED PURSUANT TO THIS SECTION, THE FOLLOWING APPLY:
- 1. ANY PETITION THAT IS SUBMITTED PURSUANT TO SUBSECTION A, PARAGRAPH 2 OF THIS SECTION SHALL CONTAIN A STATEMENT SUBSTANTIALLY SIMILAR TO THE FOLLOWING:

THIS PETITION FOR CONVERSION OF A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT MAY RESULT IN ROADS THAT ARE NOT BUILT TO EXISTING COUNTY CONSTRUCTION STANDARDS. THAT WILL NOT BE MAINTAINED BY THE COUNTY AND THAT MAY BE MORE EXPENSIVE TO MAINTAIN THAN ROADS THAT ARE BUILT TO COUNTY STANDARDS.

- 2. ROADS THAT ARE CONSTRUCTED BY THE ROAD IMPROVEMENT AND MAINTENANCE DISTRICT SHALL BE BUILT TO A CONSTRUCTION AND DESIGN STANDARD THAT COSTS AT LEAST TWENTY PER CENT OF THE LIKELY COST OF A SIMILAR ROAD THAT IS BUILT TO EXISTING COUNTY STANDARDS.
- 3. FOR PURPOSES OF COMPARING THE COSTS OF ANY ROADS CONSTRUCTED OR IMPROVED BY A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT PURSUANT TO THIS SECTION. THE COUNTY ENGINEER SHALL DETERMINE THE LIKELY COST OF A SIMILAR ROAD THAT IS BUILT TO EXISTING COUNTY STANDARDS.
- 4. THE COUNTY MAY REQUIRE THAT ANY ROADS CONSTRUCTED OR IMPROVED BY A ROAD IMPROVEMENT AND MAINTENANCE DISTRICT PROVIDE AN EASEMENT FOR COUNTY EMERGENCY AND SERVICE VEHICLES.
- F. THIS SECTION SHALL NOT BE CONSTRUED TO AFFECT THE AUTHORITY OF A BOARD OF SUPERVISORS PURSUANT TO SECTION 48-1086.

APPROVED BY THE GOVERNOR JUNE 20, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 20, 2007.